



Summary of the Energy Hardship Expert Panel's Discussion Paper, *Te Kore, Te Pō, Te Ao Marama* | *Energy Hardship: the challenges and a way forward*

The Energy Hardship Expert Panel has proposed 27 strategies within five key focus areas, or kete, to help tackle energy hardship in Aotearoa, alongside further proposals to build the supporting environment required to ensure they have impact.

This summary document outlines the key ideas we are seeking feedback on during this engagement period.

We recommend reading more about these ideas in the Discussion Paper, which you can find on MBIE's webpage here: www.mbie.govt.nz/ehep-have-your-say. You'll also find a link to an online survey where you can share your thoughts with us and see other ways you can have your say.

The engagement period will close at 5pm on 28 April 2023.

About the Panel

The Energy Hardship Expert Panel (the Panel) was established in 2021 as part of the government's response to the Electricity Price Review (EPR) recommendations.¹

The objective of the Panel, as set out in its terms of reference, is to recommend to government policy priorities and actions to alleviate energy hardship, and provide impartial, evidence-based expert advice.²

The Panel brings together five leaders from a range of backgrounds who collectively hold key insights, connections and experience working directly with households living in or at risk of energy hardship. Members of the Panel were appointed in September 2021 and their term ends 30 June 2023.

Panel members are: Keri Brown (Chair), Dr Amanda-Lanuola Dunlop, Helen Leahy, Kay Brereton and Kevin Angland. You can read more about them at: www.mbie.govt.nz/ehep-have-your-say

Wider response to addressing energy hardship

The work of the Panel is just one part of the wider response to energy, health, housing and wellbeing issues, and sits within the context of work happening elsewhere: through various government workstreams, by the energy sector, iwi, NGOs, community groups, charities and businesses. From the budgeting services and advocates helping people struggling with power bills, to community energy groups, to emerging social retailers, to the churches helping their communities and whānau helping each other – there is a large community of people working to reduce energy hardship.

Responding to the strategies we have identified in our discussion document will require coordinated action across government, with industry and communities.

¹ MBIE, "Electricity Price Review", (2023), accessed at: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-consultations-and-reviews/electricity-price/>.

² The term energy hardship refers to residential household energy hardship and does not include energy affordability issues relating to commercial and industrial users.

Letter from the Panel Chair



Ko Waikato te awa
Ko Maungatautiri te maunga
Ko Tainui te waka Ko Ngāti Raukawa te iwi
Ko Ngāti Māhana te hapū
Ko Whakaaratamaiti te marae
Ko Keri Brown tōku ingoa

It has been an absolute privilege to take up the role as Chair of the Energy Hardship Expert Panel. I'm excited to work alongside four knowledgeable and driven individuals on the Panel to provide advice and recommend policy priorities to government. They are: Dr Amanda-Lanuola Dunlop, a Pacific health and wellbeing expert; Helen Leahy, Ngā Waihua o Paerangi Trust Pou Ārahi / Chief Executive; Kay Brereton, long-time beneficiary advocate; and Kevin Angland, ex-Mercury and former ERANZ director.

***Kia whakatōmuri te haere whakamua
I walk backwards into the future with my eyes fixed on my past***

As I watched Cyclone Gabrielle tear through parts of the North Island last month, I was reminded of the many crises we have endured as a nation – the earthquakes, floods, fires and landslides. In all of them, we have seen how critical power is in our daily lives. The cyclone impacts have been massive: hundreds of thousands of homes were without power, some for several weeks, and key services relied on diesel generators. The clean-up efforts for many will continue for a long time. My heart goes out to all those who have been affected.

For some people in our communities, not having access to power is a daily reality or risk. Perhaps because they can't afford it, perhaps it's because they're in a remote community and the connection to the national grid is vulnerable. Perhaps it's an entirely different reason altogether. Energy hardship can be a result of several different and intertwining factors, and likewise affects people in different ways.

Energy hardship can have a significant impact on people's lives, and as members of the Energy Hardship Expert Panel, we have been working to identify the underlying factors, understand the challenges and opportunities, and develop an understanding of what energy hardship looks like in our communities. Our goal is to recommend possible solutions to the government by 30 June this year to address energy hardship.

To support our mahi, we're running an engagement period which opens today through until 28 April 2023 and invite you to share your views and insights on energy hardship issues with us. This is the final step in our work programme.

We have identified five kete of challenges and responses, which have been informed by early engagement with key and diverse voices, collaborative workshops, and kōrero. However, we want to gather insights from all those who know, live or understand energy hardship, and refine our work to accurately portray the experiences in Aotearoa and what would make a difference.

It's critical that we capture a range of experiences and viewpoints to develop well-informed and effective recommendations to the government to address energy hardship. To share your feedback, we ask that you make a written submission, which can be accessed through the Expert Panel's page on the MBIE website.³ On that page, you'll find our discussion paper, which outlines our current thinking and the key questions we're seeking feedback on.

³Ministry of Business, Innovation and Employment (MBIE) "Energy Hardship Expert Panel and Reference Group" (2022), accessed at: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-hardship/energy-hardship-expert-panel-and-reference-group/>.

The Panel will consider these submissions as we work towards developing final recommendations for the government.

We understand it's a busy time for many, and we appreciate your time and effort in sharing your thoughts with us. Our work is building on the fantastic mahi that is already being done by many others across community, industry and government. We see the Panel's role as drawing on the expertise and established work by others, and from there, identifying the next steps to address priority issues and support whānau in achieving energy wellbeing.

Keri Anne Brown
Chair of the Energy Hardship Expert Panel



Energy Hardship Expert Panel workshop, May 2022. Helen Leahy, Kay Brereton, Keri Brown, Kevin Angland, Dr Amanda-Lanuola Dunlop

Desired outcomes

The Panel began by developing an outcomes framework for its work.⁴ We believe all children and whānau should be able to access and afford the energy they need to live in a safe and healthy home. In particular:

- Individuals, whānau and households can access energy regardless of income or location
- People can access and afford appropriate levels of energy within their home
- People are able to reach out and receive the support they require when they are struggling to afford their energy needs
- People easily understand and are supported to make the best decisions about their energy needs
- People are confident to articulate their needs to energy companies & easily compare plans & make choices
- Energy protections, with clear compliance standards, are in place for people living in sub-standard homes, vulnerable or medically dependent.

⁴ Energy Hardship Expert Panel, "Energy hardship outcomes framework and focus areas", (2022), accessed at: <https://www.mbie.govt.nz/dmsdocument/22233-energy-hardship-outcomes-framework-and-focus-areas>.

Key contributors to energy hardship

The Panel sees energy hardship in New Zealand as being the inability of whānau to access and afford enough energy to meet the needs of all those living in a household. Health impacts from energy hardship can be severe, such as respiratory and cardiovascular problems, and mental health issues.

Through the Panel's kōrero with key voices, discussions with MBIE and others working to understand what drives individuals, households and whānau into energy hardship, we have crystallised eight key contributors to energy hardship (Figure 1). These align with the framework proposed by MBIE in its recent process of developing a formal definition of energy hardship for government purposes⁵, however we have re-interpreted them through our own perspective and the experiences shared with us by our communities.

Figure 1: Key contributors to energy hardship

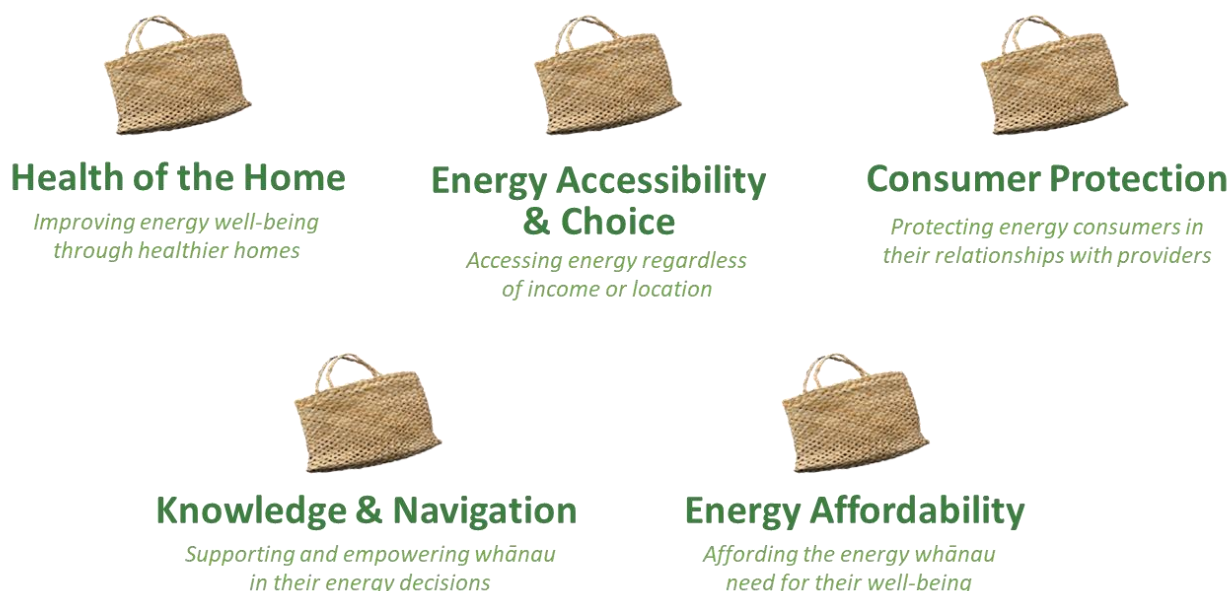


⁵MBIE, "Defining Energy Hardship, have your say" (2022), accessed at: <https://www.mbie.govt.nz/have-your-say/defining-energy-hardship/>.

Focus areas or 'kete'

The Panel has organised its thinking and its work programme into five focus areas or kete (Figure 2).

Figure 2: The Panel's five kete



Summary of our Proposed Strategies

From the wealth of evidence and insights that were received, the Panel has identified 27 strategies for alleviating energy hardship across the five kete areas. The strategies are summarised below, against the challenges or issues they are addressing. The Panel's discussion paper provides more detail about each of these challenges and strategies, the paper can be accessed here: www.mbie.govt.nz/ehep-have-your-say.

Kete: HEALTH OF THE HOME		
Challenges	Proposed strategies	
A significant number of New Zealand homes require retrofit to bring them to a healthy standard of energy performance	HH1	Strengthen and expand Warmer Kiwi Homes (WKH) programme (measures, reach and funding) so more low-income New Zealanders are supported into energy wellbeing (<i>links to KN1</i>)
The full benefits of energy efficiency improvements cannot be accessed unless a home is weathertight and reasonable quality	HH2	Fund broader building repair and improvement work to support home retrofit programmes
Tenants are four to five times more likely to experience energy hardship than owner-occupiers	HH3	Strengthen the monitoring, compliance and enforcement of the Healthy Homes Standards (<i>links to HH4</i>)
	HH4	Strengthen advocacy and support services for tenants (<i>links to HH3 and KN1</i>)
Energy efficient household appliances (e.g. whiteware, lighting, cooking) offer important long-run cost savings but the higher purchase price often puts them out of reach	HH5	Expand all energy-related MSD purchase assistance programmes for household appliances to offer energy efficient choices.

Kete: KNOWLEDGE AND NAVIGATION		
Challenges	Proposed strategies	
Stronger coordination and collaboration across providers of energy hardship programmes and support services is needed to improve effectiveness and coverage	KN1	Establish and fund a nation-wide “energy wellbeing sector network” to facilitate and support enhanced service integration and collaboration between local organisations and establish co-networks for Māori and Pacific practitioners (<i>links to HH1, HH4, KN2, KN4 and KN5</i>)
There is a lack of widespread, easy access to trusted and informed community-based energy advisers, home assessors and service navigators	KN2	Strengthen and deliver energy wellbeing ‘navigator’ training (such as <i>Home Performance Advisor</i>), including Māori and Pacific energy wellbeing training wananga/programmes that are grounded in Te Ao Māori and Pacific worldviews
	KN3	Strengthen and extend MBIE’s <i>Support for Energy Education in Communities (SEEC)</i> programme, and ensure funding targeting and programme design recognise those groups over-represented in energy hardship such as Māori, Pacific peoples and tenants
Increased support is needed to boost energy literacy among tenants, landlords and homeowners	KN4	Develop and deliver an Energy Wellbeing Education Strategy for targeted education on energy-saving practices, consumer protection rights, and how to access authoritative information (including targeting for specific groups over-represented in energy hardship)
	KN5	Develop and maintain a comprehensive online portal as a “go-to” for accurate, up-to-date and complete information for tenants, landlords and homeowners to support improved energy wellbeing, good energy choices, efficient energy use in the home and consumer protection rights
Households can face challenges in accessing and understanding bill and pricing information and options	KN6	Simplify energy bills and information access, improve comparability across electricity tariff structures, and improve price comparison services

Kete: ENERGY ACCESSIBILITY AND CHOICE		
Challenges	Proposed strategies	
Credit issues can prevent individuals, households and whānau from having choice in an electricity supplier or switching suppliers	AC1	Develop mechanism(s) to ensure all residential consumers can obtain a post-pay electricity supply despite “adverse credit” (<i>links to AF5, CP1 & CP2</i>)
Households struggling to pay their bills face disconnection	AC2	Develop mandatory rules for electricity retailers to follow before disconnecting for non-payment so that disconnection becomes the last resort, including penalties e.g. for wrongful disconnection (<i>links to AF2, AF4, CP1 and CP2</i>)
Metering technology may constrain a household’s access to energy supply and tariff choice	AC3	Identify and address the barriers to completing smart meter roll-out, prioritising areas of low coverage, and requests from households in energy hardship
Rural and off-grid households or communities, and those living on communal or ancestral land, need additional support to build their energy access, resilience and sovereignty	AC4	Provide increased funding and support for community energy schemes and capability-building in rural communities to ensure rural and off-grid households and those on communal or ancestral lands (including Papakāinga) in energy hardship can access secure energy supply, linking with other energy programmes such as WKH and SEEC (<i>links to HH1, KN3</i>)

Individuals, households and whānau in energy hardship often have limited options in choosing, and engaging with, an energy retailer	AC5	Explore ways to facilitate and support social retailing which can provide post-pay supply to those in energy hardship with low credit scores, deliver targeted wrap-around services, and provide tailored pricing and payment plans. Options may include one or more of: <ul style="list-style-type: none"> a. Provide support for accredited social retailers eg through an industry fund, social generation hedge obligations or government funding b. Government contracts one or more retailer(s) to act as a social retailer c. Government support for community/regional integrated social generator-retailers d. Government support for a nationwide integrated social generator-retailer <i>(links to AC1, AC2, CP1)</i>
The energy transition presents new opportunities but risks leaving lower-socio-economic whānau behind	AC6	Ensure those in energy hardship can access the benefits of, and do not face undue costs from, the transition to low emissions energy, including explicitly reflecting energy wellbeing requirements in Government's Equitable Transition Strategy, Energy Strategy and Gas Transition Plan

Kete: ENERGY AFFORDABILITY		
Challenges	Proposed strategies	
Low income is a major barrier for many whānau to afford the energy they need for wellbeing in their home	AF1	Prioritise lack of energy access as an emergency issue and implement nationally consistent processes and timeframes for responding to requests for assistance from customers in energy hardship/their advocate/retailer, and establish clear and direct lines of communications between MSD and those customers/their retailer/advocate <i>(links to CP1 and AC2)</i>
	AF2	Provide extra Government financial support, needs-based and targeted at households in energy hardship, including those outside the existing beneficiary group. Possible mechanisms include better targeting of the Winter Energy Payment (WEP) eligibility criteria/funding levels, an energy-related income supplement, an energy bill rebate, and making a portion of energy-related grants non-recoverable
	AF3	Ensure all fees and costs charged to energy consumers are cost-reflective and reasonable (including pre-pay, disconnections, reconnections, top-ups, bonds, metering)
Pre-pay accounts often impose significantly higher costs on those most in need and self-disconnection is hidden	AF4	Review and monitor the use and pricing of pre-pay accounts to ensure they do not create or exacerbate disadvantage, including tracking and publishing self-disconnection (how many, how often, for how long) and reviewing pre-pay terms and conditions, fees, wraparound support <i>(links to CP2, CP3)</i>
Payment options may impact affordability and choice	AF5	Require retailers to include payment options that recognise the difficulty those in energy hardship face, e.g. cash payment, smooth pay, weekly or fortnightly billing/payment <i>(links to CP3)</i>
Distribution pricing methodologies can impact affordability	AF6	Investigate and address the implications of network pricing methodologies for energy hardship, particularly in high cost-to-serve areas

Kete: CONSUMER PROTECTION		
Challenges	Proposed strategies	
The Electricity Authority's Consumer Care Guidelines (CCG) are voluntary and there is no regulatory penalty for not complying	CP1	Review and strengthen the Consumer Care Guidelines including expanding to include mandatory consumer care obligations on all electricity retailers
	CP2	Strengthen monitoring, compliance and enforcement of the Consumer Care Guidelines, including a penalty and reporting regime for non-compliance
There is a lack of reporting and monitoring of key energy hardship information from electricity retailers	CP3	Require electricity retailers to report key energy hardship indicators to the Electricity Authority for it to monitor and publish (e.g. number of customers refused supply, disconnection numbers/durations/reasons, customer debt levels, bonds, pre-pay, referrals to Income Support, retailers' alignment with Consumer Care Guidelines (<i>links to AC1, AC2, AC5, AF4</i>))
Other consumer protection regimes and dispute resolution schemes may be too narrow as new technologies and business models emerge	CP4	Expand consumer protection and existing dispute resolution schemes to cover other forms of energy provider relationships taking an energy hardship lens e.g. solar power providers (<i>links to AC6</i>)

Proposed supporting environment

The Panel has identified a number of supporting or enabling elements it considers are important for the landscape surrounding energy hardship initiatives, to ensure the proposed strategies can be implemented effectively and in a long-term sustainable manner:

- **Data and insights:** Methods for identifying those who are 'going without' adequate energy need to be improved to assist in identifying households for priority treatment and targeted assistance.
- **Learning environment:** Better monitoring and evaluation of the effectiveness of policies and programmes to alleviate energy hardship is needed across government, industry and community.
- **Leadership and coordination:** Reducing energy hardship requires active leadership and coordination across government, industry and community. (See AF1 and KN1 in particular).
- **Participatory approach:** It is critical that the voices of those experiencing energy hardship remain central to this work, beyond the term of this Panel's investigation. These include:
 - Consumer involvement
 - Māori and Pacific peoples
 - Other groups over-represented in energy hardship
- **Collaborative service models:** Alignment and collaboration between the wide range of service providers, government supports, and local projects relevant to alleviating energy hardship, across various sectors, is critical to increasing access and impact for those in energy hardship.
- **Durable funding environment:** The funding environment needs to support innovation, action and sustainable outcomes.
- **Targeting of solutions.** It is important to carefully target solutions for addressing energy hardship, and also understand how they affect others in the wider system.

Please see the full Discussion Paper online for more information at this link:

www.mbie.govt.nz/ehep-have-your-say

How to make a submission and next steps

The Panel seeks written submissions on the material and proposals in the main Discussion Paper by **5pm on Friday 28 April 2023**. Any submissions received after this date may not be able to be considered.

If submitting as a member of an organisation, we would appreciate one submission on behalf of the organisation or group with summarised input from your members.

All submissions received within the engagement period will be considered by the Panel and the MBIE secretariat. Submissions will be made publicly available on the MBIE website, unless otherwise clearly stated.

All insights gathered throughout this process will be used to inform the Panel's final recommendations report to government which is due no later than 30 June 2023.

Government will then consider the Panel's final recommendations and will determine its own response and course of action.

You can make your submission in a number of ways:

- By completing the Online Submission Form which can be found on the Energy Hardship Expert Panel page of the MBIE website: www.mbie.govt.nz/ehep-have-your-say, or
- By downloading the Submission Form available on the Energy Hardship Expert Panel page of the MBIE website, completing it, then either:
 - emailing both a Word and PDF version of the completed form to: energyhardshipMBIE@mbie.govt.nz with "Energy Hardship discussion paper submission" in the subject line, or
 - posting the completed template to:
Energy Hardship Expert Panel
c/- Energy Use Team
Ministry of Business, Innovation and Employment
15 Stout Street
PO Box 1473, Wellington 6140

Please direct any questions that you have in relation to the submissions process to: energyhardshipMBIE@mbie.govt.nz

